



## **CITY OF HAYWARD**

### **AGENDA REPORT**

AGENDA DATE 11/13/01

AGENDA ITEM 7

WORK SESSION ITEM       

**TO:** Redevelopment Agency Board Members

**FROM:** Director of Community and Economic Development

**SUBJECT:** Lease Agreement for Property at 1154-1166 Russell Way for Parking Purposes

#### **RECOMMENDATION:**

It is recommended that the Redevelopment Agency adopt the attached resolution authorizing the Executive Director to execute a Lease Agreement pertaining to the property at 1154-1166 Russell Way.

#### **BACKGROUND:**


The Agency has received a request to lease property that it owns at 1154-1166 Russell Way, to Richard Fishman and his partner. The Agency's property consists of a vacant lot totaling 24,240 plus or minus square feet on the north side of Russell Way, between Foothill Boulevard and Second Street. Mr. Fishman and his partner intend to install a 46-space parking lot to service the adjoining retail building they recently purchased at 22380-98 Foothill Boulevard. The partners have obtained the necessary City permits and are renovating the building in order to accommodate a new tenant. The cost of the parking lot, complete with lighting and landscaping, is estimated at \$260,000.

The City is currently studying a potential alternative route for the proposed Route 238 By-pass that, if adopted, would be located directly east of Foothill Boulevard. As a result, the Agency's lot on Russell Way may be needed for right-of-way if the alternative route is adopted. Because of this, staff is recommending that the lease be for a period of five years, with a potential option to renew for another five years. In the event the property is needed for street right-of-way or any other public improvement between first and second five-year term, the Agency has the right to terminate the lease. In addition, the Agency has the right to terminate the lease if the tenant breaches any other material terms of the lease, including lack of maintenance on the property and lack of insurance coverage.


The proposed lease rate for the first five-year term is the estimated value of the parking lot improvements, or \$260,000. Staff has compared the value of the proposed improvements to other lease rates in the downtown area, and believes that the value of the improvements equate to a fair market lease rate for land in the area. Also, at the end of the lease term, the Agency will own the improvements. If the option to extend the lease for the second five-year period is

exercised, the Agency and Landlord will need to mutually determine a fair market lease rate for the extended time period. A copy of the lease document is on file with the City Clerk's Office.

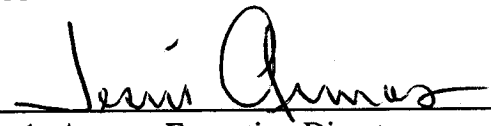
Prepared by:

  
Maret Bartlett, Redevelopment Director

Recommended by:

  
Sylvia Ehrental, Director of Community  
and Economic Development

Approved by:

  
Jesús Armas, Executive Director

Attachments: Exhibit A - Site Map  
Resolution

## EXHIBIT "A"

### SITE MAP

Dn. 5-65 HN.  
 Corrected: 9-10-70 NW 70-1  
 5-10-82 RG  
 8-11-82 PS  
 4-20-84 AH  
 3-15-88 KB  
 1-03-89 CSL.

**Fmly. Bk 78-Bkls 31, 53 & Par 30.**



BK 428

# DRAFT

HAYWARD REDEVELOPMENT AGENCY\

*mnf*

RESOLUTION NO. RA \_\_\_\_\_

Introduced by Agency Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE EXECUTIVE  
DIRECTOR TO NEGOTIATE AND EXECUTE A LEASE  
AGREEMENT FOR PARKING PURPOSES AT 1154-1166  
RUSSELL WAY

BE IT RESOLVED by the Redevelopment Agency of the City of Hayward that the Executive Director is authorized and directed, on behalf of the Redevelopment Agency of the City of Hayward, to negotiate and execute a Lease Agreement with Richard and Susan Fishman and David and Frances Strykowski, to lease Agency owned property located at 1154-1166 Russell Way for parking purposes, in a form approved by the City Attorney. This property is being leased pursuant to Section 33400 (b) of the Health and Safety Code.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2001

ADOPTED BY THE FOLLOWING VOTE:

AYES: AGENCY MEMBERS:

MAYOR:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

ATTEST: \_\_\_\_\_

Secretary of the Redevelopment Agency  
of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel